

**MINUTES OF THE  
RURAL HEALTH ADVISORY COMMISSION**

Friday, June 16, 2006

Nebraska State Office Building  
6<sup>th</sup> Floor, Conference Room 6-Z  
Lincoln, Nebraska

Members Present: Dennis Berens (designee for Nancy Montanez, HHS Services Director); Angela Brennan, M.D.; Steve Dokken, D.D.S.; Marty Fattig; Don Frey, M.D.; Pam List, A.R.N.P.; Jacquelyn Miller, D.D.S., HHS Regulation and Licensure, Deputy Director, Health Services (designee for Dr. Joann Schaefer); Rebecca Schroeder, Ph.D.; Mike Sitorius, M.D.; Roger Wells, PA-C

Members Absent: Bill Brush; Michele Mulligan-Witt, M.D.; Bill Welch

Guests Present: Roxanna Jokela, UNMC/RHEN/AHEC

Office of Rural Health Staff Present: Marlene Janssen, Tom Rauner, Deb Stoltenberg

**1. Call Meeting to Order; Adopt Agenda; Approve Minutes of February 24, 2006, Meeting;  
Introduce Members and Guests**

Chairman, Dr. Don Frey, called the meeting to order at 1:45 p.m. Dr. Frey announced that in compliance with the Nebraska Open Meeting Law, a copy of the Open Meeting Law is posted on the back table along with copies of the agenda. The agenda is also posted outside the door.

Pam List moved to adopt the agenda. Dr. Steve Dokken seconded the motion. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Schroeder, Sitorius; NO: none; ABSENT: Brush, Miller (Dr. Schaefer), Mulligan-Witt, Welch, Wells

Marty Fattig moved to approve the minutes of the February 24, 2006 meeting with the correction to each motion to show those members who were absent on the vote. Dr. Angela Brennan seconded the motion. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Schroeder, Sitorius; NO: none; ABSENT: Brush, Miller (Dr. Schaefer), Mulligan-Witt, Welch, Wells

Dr. Jacqueline Miller (designee for Dr. Joann Schaefer) arrived. Members and guests introduced themselves.

**2. Administrative Announcements: Next Meeting on September 6, 2006, 6:30 p.m. at the Kearney Holiday Inn; Executive Appointments to the Commission**

Dr. Don Frey announced that the next Rural Health Advisory Commission meeting will be on Wednesday, September 6, 2006, at 6:30 p.m. in Kearney at the Holiday Inn. This meeting is in conjunction with the Annual Nebraska Rural Health Conference.

Marlene Janssen announced that terms will be expiring in September for some of the members on the Commission. Those members received an application form in their packets. The Governor's Office would like applications by July 1, 2006.

**3. Primary Care Office: Colfax County Dental Shortage; Legislative Update - J1 Visa Waivers**

Tom Rauner reported that while he has not received written confirmation, he has received verbal communication that Colfax County will be approved as a federal dental shortage area. If Colfax County is designated as a federal shortage area for dentistry it can then be designated as a state-designated general dentistry shortage area.

Tom Rauner reported that legislation has been introduced in Congress for J1 Visa Waivers but no changes have been passed. At this point in time it looks like we will continue with the 30 J1 Visa slots per state. Nebraska averages about 12 J1 Visa placements per year.

**4. State-Designated Shortage Area Requests: Pawnee County – P.T.; Colfax County – General Dentistry**

Marlene Janssen reported that Pawnee County has submitted a request to be designated a physical therapy shortage area. Ms. Janssen explained that according to the shortage area guidelines established by the Commission, physical therapy shortage areas are based on a population to "licensed P.T." When the shortage areas were approved in 2004, the licensure database showed at least one physical therapist with an address in Pawnee County; now there is zero. Ms. Janssen stated that Pawnee County does meet the guidelines for a state-designated physical therapist shortage area.

Dr. Sitorius moved to approved Pawnee County as a state-designated, physical therapist shortage area. Pam List seconded the motion. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Miller (Schaefer), Schroeder, Sitorius, Wells; NO: none; ABSENT: Brush, Mulligan-Witt, Welch

Marlene Janssen reported that Colfax County, specifically the Schuyler area, be designated as state-designated general dentistry shortage area because all of Colfax County is expected to be designated as federal dentistry shortage area. Under the state shortage area guidelines only those areas outside of a 50-mile radius of Lincoln and Omaha that meet the criteria may be designated a general dentistry shortage area. The exception to this guideline is if the area is a federally designated shortage area.

Dr. Brennan moved to approve all of Colfax County as a state-designated, general dentistry shortage area pending the designation of Colfax County as a federal dental shortage area. Marty Fattig seconded the motion. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Miller (Schaefer), Schroeder, Sitorius, Wells; NO: none; ABSENT: Brush, Mulligan-Witt, Welch

**5. Program Committee Report: Review of Shortage Area Guidelines; Legislative Proposal; Dr. Don Pathman's Article (North Carolina)**

Dr. Steve Dokken stated that at the last Commission meeting the Program Committee was asked to review the shortage area guidelines related to "mileage radius" versus "travel time radius." The Program Committee discussed the fact that both methods mean "drawing a line in the sand" and the current "mileage radius" seemed

less ambiguous than travel time and having to define types of roadways and measure numerous points of origin and destination. Dr. Dokken reported that the consensus of the Program Committee was to leave the current “mileage radius” in the shortage area guidelines but review it periodically along with the incentive programs.

Dr. Dokken reported that the Program Committee approved requesting a legislative change to reduce the cost of buying out a student loan contract. The legislative proposal was distributed to Commission members in their packets. This proposal reduces the contract buyout provision from 24 percent simple interest since the date the loan was granted to 150 percent of the outstanding principal balance plus 6 percent interest at the time of default. Dr. Dokken explained that this proposal was based on a discussion of Dr. Don Pathman’s article in the North Carolina medical journal. (Commission members received a copy of this article in their packets.)

Dr. Dokken also mentioned that the Program Committee talked about the cancellation of debt under the Student Loan Program in the event of the recipient’s death. A proposal to change this provision was rejected by the Program Committee.

Dennis Berens commented that one of the pressure points affecting rural areas is the bio-terrorism efforts. There is an issue of fairness. Is it fair for the “big” players to come in and take away from the “little” players? There is a decline in the number of physicians applying for family practice. There is also a push for “in-store” primary care clinics that will be putting pressure on the number of mid-levels available and willing to go to rural practice sites.

Marlene Janssen added that smaller rural shortage areas have contacted the Office of Rural Health to voice their concern about these rural non-shortage areas buying out student loan contracts. This takes away from their pool of prospective physicians that agreed to practice in a rural shortage area.

Dr. Mike Sitorius asked what these rural communities are proposing for additional penalties. Dennis Berens responded that there are multiple perspectives but no specific proposals. Dr. Sitorius stated that the minimal amount of research on rural incentive programs points to the fact that increasing the penalties decreases the number of applicants.

Marlene Janssen stated that the Program Committee did discuss rural (non-shortage area) hubs buying out student loan contracts. Given the history of the student loan program where 50 percent of the recipients buyout their contracts and Dr. Pathman’s analysis of incentive programs, the Commission may want to consider awarding more physician loans with the understanding that 50 percent may be buyouts. That will at least provide a larger pool of primary care physicians for rural shortage areas to recruit and still be fair to the taxpayers.

Marlene Janssen reported that LB 962 which increases the maximum amount of loan repayment did pass; however, no additional funding was included. In 2005, the Commission submitted a legislative proposal to increase the funding for the incentive programs by \$865,000 (\$500,000 in general funds and \$365,000 in cash spending authority). These funds would be used to fully fund the student loan and loan repayment programs to the maximum levels allowed by law. Ms. Janssen suggested that since it takes approximately 18 months to phase in new incentive recipients, increased funding could be requested over a 3-year period.

After some discussion, Dr. Rebecca Schroeder moved to have the Office of Rural Health submit a legislative proposal to the HHSS Policy Cabinet to request an additional appropriation of \$500,000 in general funds and \$365,000 in cash spending authority to fund the increases in the Nebraska Student Loan and Loan Repayment Programs. Dr. Steve Dokken seconded the motion. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Schroeder, Sitorius, Wells; NO: none; ABSENT: Brush, Miller (Schaefer), Mulligan-Witt, Welch

Marty Fattig moved to have the Office of Rural Health submit a legislative proposal to the HHSS Policy Cabinet to request a legislative change in the buyout provision for student loan contracts. This change would be to have the buyout provision be 150 percent of the outstanding principal balance plus 6 percent interest at the time of default. Roger Wells seconded the motion. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Schroeder, Sitorius, Wells; NO: none; ABSENT: Brush, Miller (Schaefer), Mulligan-Witt, Welch

The Commission discussed Dr. Pathman's article in general terms. Marlene Janssen stated that the student loan interviewers talked about reviewing the student loan application rating criteria and interview process. Ms. Janssen commented that the scoring criteria currently used was developed over 14 years ago and that it might be time to evaluate its effectiveness.

Dr. Angela Brennan moved to have the Program Committee evaluate the student loan program application and interview process. Dr. Dokken seconded the motion. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Miller (Schaefer), Schroeder, Sitorius, Wells; NO: none; ABSENT: Brush, Mulligan-Witt, Welch

**6. Program 175 (Incentive Programs) Budget – Budget Objectives and Performance Measures 2007-09 Biennium; Review Current Budget; Motion on Award Amounts; Accounts Receivable Report**

Marlene Janssen reported that administrators of state-funded programs must prepare budget objectives and performance measures for the 2007-09 biennium budgets. Ms. Janssen prepared a draft of the 2007-09 Biennial Budget Program Narrative Template for the Commission to review and approve since these objectives are based on the Commission's direction.

Dr. Angela Brennan commented that without additional funding the Commission needs to (1) focus on awarding fewer student loans and (2) providing higher levels of loan repayment. By doing this the number of incentive recipients in practice will decrease over the next few years.

Marty Fattig moved to approve the budget objectives and performance measures for the 2007-09 biennium budgets with the suggested change to re-word the performance measure concerning a reduction in the number of loan repayment awards. Dr. Brennan seconded the motion. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Schroeder, Sitorius, Wells; NO: none; ABSENT: Brush, Miller (Schaefer), Mulligan-Witt, Welch

Marlene Janssen prepared 2 budget scenarios for the Commission to discuss. The first budget scenario assumes student loans at \$17,500 (doctorate level)/\$8,750 (mid-level) and setting the maximum amount for the state match for loan repayment at \$15,000 (doctorate level)/\$7,500 (mid-level and allied health). The second budget scenario sets student loans at \$17,500/\$8,750 and the maximum amounts for the state match for loan repayment at \$17,500/\$8,750. Ms. Janssen stated that, given the number of loan repayment applications, if the Commission approves the second budget scenario there will be no general funds for future loan repayment applications received during FY 2006-07. There would; however, be some cash funds that could be used for the state match for loan repayment.

Dr. Brennan moved to set the maximum amount of loan repayment, if state funding is available, for loan repayment applicants, beginning their 3-year practice obligation during Fiscal Year 2006-07 on or after August 1, 2006, at up to a maximum of \$105,000 for physicians, dentists, and psychologists and up to a maximum of \$52,500 for licensed mental health practitioners, physician assistants, nurse practitioners, pharmacists, occupational therapists, and physical therapists. The amounts indicated are total amounts of loan repayment over the 3-year practice obligation and include both the local and state match. In addition, the amount of doctorate level student loans for FY 2006-07 will be set at \$17,500 and master's level student loans for full time students will be set at \$8,750. Roger Wells seconded the motion. Motion carried. YES: Berens (Montanez),

Brennan, Dokken, Fattig, List, Miller (Schaefer), Schroeder, Sitorius, Wells; NO: none; ABSENT: Brush, Mulligan-Witt, Welch

Marlene Janssen provided an update on Accounts Receivable:

#### Student Loan Recipients –

2005 Graduate – Mary Ebeling, DDS, Burt County (Lyons) took licensure exam in May 2006

#### Contract Buyouts

Theresa Buck – current

James Galyen, M.D. – paid in full \$54,800 (5/2006) to practice in North Platte

Nancy Miller-Davis, M.D. – killed in car accident; will write-off principal balance

David Kershner, P.A. – legal action in process

Les Veskrna, M.D. – current

#### Loan Repayment - Defaults

Kristal Dowse, RP – moved to Buffalo County (Kearney), current

Denise Freidel, M.D. – Saunders County (Wahoo), paid in full

Michael Karel, P.A. – Nuckolls County (Superior), current

Reba Glidewell, PhD – moved to Kansas, litigation in process

Krista Krebs, PhD – began working at HRC, currently in practice under obligation

J. Lynn Williams, M.D. – moved to Colorado, still owes \$200

### **7. Closed Session – Discuss Student Loan and Loan Repayment Applications**

Dr. Rebecca Schroeder moved to go to closed session to discuss student loan and loan repayment applications.

Dr. Brennan seconded the motion. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Miller (Schaefer), Schroeder, Sitorius, Wells; NO: none; ABSENT: Brush, Mulligan-Witt, Welch. Chairman, Dr. Don Frey, stated that the Commission would now go to closed session to discuss the student loan and loan repayment applications and asked guest(s) to please leave the room.

### **8. Open Session – Action on Closed Session Discussion**

Dr. Sitorius moved to return to open session. Pam List seconded the motion. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Miller (Schaefer), Schroeder, Sitorius, Wells; NO: none; ABSENT: Brush, Mulligan-Witt, Welch

Marty Fattig moved to approve the following loan repayment applicants as of the date shown:

|                            |                                   |                   |
|----------------------------|-----------------------------------|-------------------|
| Preston Renshaw, M.D.      | Holt County (O'Neill)             | August 1, 2006    |
| Jared Kramer, M.D.         | Howard County (St. Paul)          | August 1, 2006    |
| Nathan Luehrs, D.D.S.      | Panhandle Community Health Center | July 1, 2006      |
| Mark Schlothauer, D.D.S.   | Panhandle Community Health Center | August 1, 2006    |
| Matthew Timm, M.D.         | Thurston County (Pender)          | August 1, 2006    |
| Jason Moore, P.T.          | Kimball County (Kimball)          | July 1, 2006      |
| Teresa Vang-Freeling, LMHP | Hall County, et. al.              | April 1, 2006     |
| Erin McKown, P.A.          | Boone County (Albion)             | May 1, 2006       |
| Chanel Helgason, M.D.      | Adams County (HRC)                | August 1, 2006    |
| Christine Dregalla, D.D.S. | Thurston County (Pender)          | August 1, 2006    |
| Jesse Neal, D.D.S.         | Harlan County (Alma)              | September 1, 2006 |

|                               |                             |                |
|-------------------------------|-----------------------------|----------------|
| Shelly Nickerson, Pharm.D     | Dawson County (Cozad)       | August 1, 2006 |
| Xann Linhart, A.R.N.P.        | York County (Corrections)   | July 1, 2006   |
| Carmen Pralle, P.T.           | Pawnee County (Pawnee City) | August 1, 2006 |
| Sanjoy Banik, M.D.            | Buffalo County (Kearney)    | August 1, 2006 |
| Christopher Schlamon, Pharm.D | Deuel County (Chappell)     | August 1, 2006 |

and to move Dr. Tim Davis' application to the waiting list. Dr. Brennan seconded the motion. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Miller (Schaefer), Schroeder, Sitorius, Wells; NO: none; ABSENT: Brush, Mulligan-Witt, Welch

Pam List moved to offer student loans to the following new students: Jesse Carr (dental), Anpo Charging Thunder (medical), Lawrence Chatters (doctorate level mental health), Christine Dinslage (master's level mental health), Troy Knaub (dental), and Zachary Kopf (dental). In addition, the following students will be alternates in the case a new student loan offer is not accepted: Cari Brunner (master's level mental health) – Alternate 1; Korina Cave (master's level mental health) – Alternate 2; and Rachel Chapman (master's level mental health) – Alternate 3. Dr. Dokken seconded the motion. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Miller (Schaefer), Schroeder, Sitorius, Wells; NO: none; ABSENT: Brush, Mulligan-Witt, Welch

Pam List moved to offer student loans to the following continuation students: DeeLynn Bednar (master's level mental health), Kelcey Berg (dental), Christina Cassel (medical), Michelle Choutka (medical), Randall Goldfish (medical), Leasa Hlavinka (dental), Clint Jordan (dental), Kallie Krugman (dental), Megan Lebeau (dental), Jody Lieske (doctorate level mental health), Thomas Pratt (dental), Kristen Ryan (dental), Stacy Schmitz (dental), Ryan Smith (master's level mental health), Rhonda Turner (doctorate level mental health), and Nicholas Woodward (dental). Dr. Schroeder seconded the motion. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Miller (Schaefer), Schroeder, Sitorius, Wells; NO: none; ABSENT: Brush, Mulligan-Witt, Welch

## **9. Policy Committee Report**

Dennis Berens stated that the Policy Recommendations from the Policy Committee are a work-in-progress. The Rural Health Advisory Commission, as a whole, needs to approve these recommendations and the direction of the Policy Committee.

Pam List reported on the most recent changes to the Policy Recommendations. Incentive programs for rural health professionals are still one of the top priorities; however, the Policy Committee wants to focus more attention on recruiting and retaining family practice physicians, physician assistants, and nurse practitioners, dentists, Licensed Mental Health Practitioners (LMHP), psychologists, and psychiatrists.

The Policy Committee is still working on integrated service delivery and training programs according to Ms. List but no changes were made to the current recommendation.

Pam List reported that rural managed care and reimbursement was discussed by the Policy Committee and included a discussion about the terminology of "Medicaid Managed Care." Ms. List stated that the Policy Committee found this terminology to have a negative connotation and supports the development of a rural "Primary Care Team" Medicaid model with adequate reimbursement for rural providers (mental, oral and physical health).

The Policy Committee will continue to focus on rural emergency medical services and rural transportation, rural communication system especially broadband, strengthening rural health services by improving access to affordable health care, and rural quality. No changes were made to these recommendations.

Roger Wells reported that the Policy Committee has discussed the new Medicaid reform that is currently going on and decided that most of the Medicaid reform is to study certain issues. The Policy Committee recommends that the RHAC do something to address Medicaid reform instead of just talking about it in committee. Mr. Wells presented the following Policy Committee recommendations to the Commission: (1) testify before the Legislature and appropriate subcommittees informing them about the need for health care change; (2) develop a pilot project model, for community health plan as a group health product; (3) identify the need for additional primary care needs in the future for all health care professions; and (4) search for grant opportunities for development of a health care model.

Pam List moved to accept the changes to the Draft Policy Recommendations as proposed by the Policy Committee. Dr. Schroeder seconded the motion. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Schroeder, Sitorius, Wells; NO: none; ABSENT: Brush, Miller (Schaefer), Mulligan-Witt, Welch

## **10. Other Business**

Marlene Janssen provided an update of the legislative bills the Commission was following: LB 282 School Nutrition – indefinitely postponed; LB 953 Increase Loan Repayment – amended into LB 962 passed (effective July 14, 2006); LB 1219 Fund Public Health Departments – indefinitely postponed; and LB 1220 Mental Health Rural Training Sites – amended into LB 994 passed. Ms. Janssen mentioned that LB 1220 was the Munroe-Meyer Institute legislation to fund faculty and provide stipends to psychology students at rural training sites. Dennis Berens commented that the significance of LB 1220 changed the focus of previous legislation to provide specific funding for faculty and stipends for students.

Marlene Janssen stated that there are also a number of legislative studies in process and one of them includes studying AHEC (Area Health Education Center). Dr. Mike Sitorius explained the AHEC legislative study. AHEC is a 12-year federally funded program. If Nebraska wants to continue the work of AHEC then state funds will need to be appropriated. The Legislature has chosen to study the impact of AHEC to determine if it is worth continuing. According to Dr. Sitorius, AHEC has a much broader scope than RHEN (Rural Health Education Network) which focuses on the professional student. AHEC includes K-12 exposure to health care education.

Marty Fattig stated that there will be a legislative forum at the Nebraska Rural Health Conference. The District #3 legislative candidates have been invited along with a number of state legislators. Mr. Fattig also suggested that the Policy Committee tie in pay for performance in the policy recommendations.

## **11. Adjournment**

Dr. Mike Sitorius moved to adjourn at 3:50 p.m. No second required. Motion carried. YES: Berens (Montanez), Brennan, Dokken, Fattig, List, Schroeder, Sitorius, Wells; NO: none; ABSENT: Brush, Miller (Schaefer), Mulligan-Witt, Welch